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Attorneys for Creditor  
 Debt Acquisition Company of America V

# UNITED STATES BANKRUPTCY COURT

District of Nevada

|   |   |                                  |
|---|---|----------------------------------|
| In re   | ) | Case No. BK-S-06-10725 LBR       |
|   | ) |                                  |
| USA COMMERCIAL MORTGAGE COMPANY                                     | ) | DECLARATION OF ROBERT S.         |
|   | ) | SPECKERT IN OPPOSITION TO MOTION |
| Debtor.   | ) | OF COMPASS FINANCIAL PARTNERS    |
| In re   | ) | LLC FOR ORDER ENFORCING          |
|   | ) | CONFIRMATION ORDER AND           |
| USA CAPITAL REALTY ADVISORS, LLC                                    | ) | DETERMINING NO SURVIVING         |
|   | ) | SECTION 3 RIGHT EXISTS WITH      |
| Debtor.   | ) | RESPECT TO THE FIESTA OAK        |
| In re   | ) | VALLEY LOAN                      |
|   | ) |                                  |
| USA CAPITAL DIVERSIFIED TRUST FUND, LLC                             | ) | [AFFECTS DEBTOR USA COMMERCIAL   |
|   | ) | MORTGAGE COMPANY]                |
| Debtor.   | ) |                                  |
| In re   | ) | DATE: April 26, 2007             |
|   | ) |                                  |
| USA CAPITAL FIRST TRUST DEED FUND, LLC                              | ) | TIME: 9:30 a.m.                  |
|   | ) |                                  |
| Debtor.   | ) |                                  |
| In re   | ) |                                  |
|   | ) |                                  |
| USA COMMERCIAL MORTGAGE COMPANY                                     | ) |                                  |
|   | ) |                                  |
| Debtor.   | ) |                                  |
| Affects:  | ) |                                  |
| <input type="checkbox"/> All Debtors                                | ) |                                  |
| <input checked="" type="checkbox"/> USA Commercial Mortgage Company | ) |                                  |
| <input type="checkbox"/> USA Capital Realty Advisors, LLC           | ) |                                  |
| <input type="checkbox"/> USA Capital Diversified Trust Fund, LLC    | ) |                                  |
| <input type="checkbox"/> USA Capital First Trust Deed Fund, LLC     | ) |                                  |
| <input type="checkbox"/> USA Securities, LLC                        | ) |                                  |

1 I, Robert S. Speckert, declare:

2 1. In my capacity as the Trustee of my living trust, I am one of the investors referred to in  
3 this case as the "Direct Lenders." I own a beneficial interest in the loan known as "Fiesta Oak Valley."  
4 I purchased my interest for \$125,000.00 in about June, 2004.

5 2. In December, 2005, I received a letter from our loan servicer, USA Commercial  
6 Mortgage Company ("USACM"), a true and correct copy of which is attached as Exhibit 1. At the time  
7 that I received this letter, I was not informed that the loan was already in default for failure to make  
8 interest payments. I continued to receive payments on account of this investment from USACM until  
9 they ceased in about March, 2006. No one told me, until after this bankruptcy case was filed, that any  
10 of these payments were not coming from the borrower.

11 3. Attached as Exhibit 2 is a true and correct copy of a letter which I received from  
12 USACM, dated January 11, 2007, entitled "Compass Partners Announces the Formation of its New  
13 Mortgage Servicing Entity as it moves to Restore Investor Confidence."

14 4. Attached as Exhibit 3 is a true and correct copy of a letter dated which I received from  
15 USACM dated March 1, 2007, entitled "Open Letter to USA Capital Investors from Compass Financial  
16 Partners, LLC."

17 5. Attached as Exhibit 4 is a true and correct copy of a letter which I received from  
18 Compass Financial dated March 9, 2007, which begins "We are pleased to announce that as of February  
19 16, 2007, Compass Financial Partners, LLC became the servicer of most of the loan portfolio formerly  
20 serviced by USA Commercial Mortgage Company."

21 6. Attached as Exhibit 5 is a true and correct copy of a letter which I received from  
22 Compass Financial dated March 23, 2007, which begins "Compass Financial Partners, LLC ("CFP")  
23 has officially taken over as servicer of the USA Commercial Mortgage Portfolio . . . ."

24 7. Attached as Exhibit 6 is a true and correct copy of a letter which I received from  
25 Compass Financial dated April 4, 2007, which begins "Compass Financial Partners sent you a letter on  
26 March 23, 2007, about an offer from a third party . . . ."

27 ///

28 ///

3 I declare under penalty of perjury under the laws of the United States that the foregoing is true  
4 and correct and that this Declaration was executed on April 13, 2007 at Las Vegas, Nevada.

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1           8.       Attached as Exhibit 7 is a true and correct copy of a "Loan Status Report" which was  
2 enclosed with the April 4 letter (Exhibit 6).

3           I declare under penalty of perjury under the laws of the United States that the foregoing is true  
4 and correct and that this Declaration was executed on April 13, 2007 at Las Vegas, Nevada.

5  
6   
7 ROBERT S. SPECKERT  
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December 7, 2005

Robert S. Speckert Trustee of the Robert S. Speckert Rev. Living Trust dated 6/11/92  
Robert Speckert  
2128 Red Dawn Sky St  
Las Vegas, NV 89134

RE: Oak Mesa Investors

Dear Robert,

Thank you for your participation in the Oak Mesa Investors first trust deed investment through USA Capital. The borrower approached USA Capital regarding extending this loan for an additional 12 months. The borrower has submitted the revised Tentative Maps, and is continuing the process of getting the property entitled, once entitled our loan will be repaid by an institutional lender.

The Oak Mesa Investors first trust deed investment will have a new maturity date of December 18, 2006. Your interest checks will continue to arrive around the 10<sup>th</sup> of every month. We appreciate your continued confidence and trust. If you should have any questions regarding your investment, please contact your Account Executive in Las Vegas at 702-734-2400, in Reno at 775-851-8180, and in Incline Village at 772-833-2233.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Milanowski', with a long horizontal line extending to the right.

Joseph D. Milanowski, CFA  
President

4484 South Pecos Road - Las Vegas, Nevada 89121

Phone: 702-734-2400 - Fax: 702-734-0163 - Toll Free: 888-921-8009 - [www.TDInvestments.com](http://www.TDInvestments.com)

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BOB SPECKERT

04/12/2007 16:47 7022435130

USA Capital


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## Compass Partners Announces the Formation of its New Mortgage Servicing Entity as it Moves to Restore Investor Confidence

### *Gearing up to talk with investors individually after Transaction Closes*

LAS VEGAS, NV, Jan. 11, 2007 -- Compass Partners today announced that it has formed Compass Financial LLC in Nevada to continue its newly acquired mortgage servicing business. Raising the \$67 Million and being deemed the 'highest and best bidders' were the initial stages; and now, this additional development is in keeping with Compass Partners' strategy to preserve and maintain its relationship with the investors of USA Capital.

"Our approach has been from the start to provide the highest quality loan servicing experience for USA Capital investors and borrowers," David Blatt, of Compass Partners said. "Our incorporation as Compass Financial in Nevada is an important development for us and the 4,000 investors who put their trust in USA Capital," Blatt added.

Unlike its competitors, Compass Partners has ongoing experience in the business of servicing mortgage loans, and defaulted ones in particular. As a result, the company is the best positioned to assume the Nevada responsibilities. Currently, the details of every one of the USA Capital loans are being reviewed. Immediately after the bankruptcy transaction closes, Compass Financial LLC's new Nevada office staff intends to begin reaching out to the investors to discuss their circumstances surrounding their mortgage loan participations, as well as the appropriate resolutions.

"We were deemed qualified not only because we had the capital, but equally as important, because we were deemed the most qualified based on our track record resolving distressed loan situations," Boris Piskun of Compass said. "We intend to restore the faith of the borrowers and investors in our business and continue the relationship with them for future endeavors," he added.

###

#### About Compass Partners

Compass Partners' is a private equity firm that acquires and services distressed mortgage loans. The company seeks to deploy over \$100 million annually to acquire companies and assets involving such mortgage loans. Compass Partner's analysis of any investment opportunity is underpinned by rigorous due diligence and a focus on value. The company has a full-time dedicated team responsible for monitoring the strategic, operational, and financial performance of its portfolio investments. It is this disciplined, value-oriented approach that serves investors well, even in a distressed environment over the holding period of an investment.

#### CONTACT:

Juda S. Engelmayor, 5W Public Relations

[http://www.usacapitalcorp.com/news/011107\\_compass.php](http://www.usacapitalcorp.com/news/011107_compass.php)

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USA Capital

For Compass Partners LLC  
212-584-4287 direct  
917-733-3561 cell  
jangelmayer@usa.com

<http://www.usacapitalcorp.com>

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USA Capital - Las Vegas - 4484 South Pecos Road - Las Vegas, NV 89121  
NV MBR 333 - Phone 702.734.2400 - Fax 702.734.0183

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## Open Letter to USA Capital Investors from Compass Financial Partners, LLC

March 1, 2007

Dear Investor,

We are pleased to announce that as of February 16, 2007, Compass Financial Partners, LLC became the servicer of most of the loan portfolio formerly serviced by USA Commercial Mortgage Company.

Compass Financial Partners recognizes that the two main issues on which investors are focused are the return of their capital, and clear communication and up-to-date information from us about loans and accounts. We will work diligently and quickly to find appropriate resolutions to the non- and underperforming loans and the return of capital to investors.

We will provide information via a new website that will be published in March – [www.compasslcausa.net](http://www.compasslcausa.net) – and regular mail to enable investors to remain apprised as substantive information becomes available.

Mark Olson will continue with Compass after the Effective Date as the primary contact person for investors to get information about their loans and the company after investors have read the website and their mail. He will be building a customer service department to handle these inquiries.

Please note that as of April 1, 2007, Compass Financial Partners' new office in Las Vegas will be located at:

Compass Financial Partners, LLC  
4730 S. Fort Apache Road, Suite 140  
Las Vegas, NV 89147  
Telephone: (702) 734-2400  
Fax: (702) 734-0163

We look forward to a productive relationship with you and achieving successful results for everyone's benefit.

Sincerely,

Compass Financial Partners, LLC

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[info@usacapitalcorp.com](mailto:info@usacapitalcorp.com)

USA Capital - Las Vegas - 4484 South Pecos Road - Las Vegas, NV 89121  
NV MBR 333 - Phone 702.734.2400 - Fax 702.734.0163

[http://www.usacapitalcorp.com/news/022807\\_compassletter.php](http://www.usacapitalcorp.com/news/022807_compassletter.php)





March 9, 2007

Dear Investor,

We are pleased to announce that as of February 16, 2007, Compass Financial Partners, LLC became the servicer of most of the loan portfolio formerly serviced by USA Commercial Mortgage Company.

Compass Financial Partners recognizes that the two main issues on which investors are focused are the return of their capital, as well as clear communication and up-to-date information about loans and accounts. We will work diligently and quickly to find appropriate resolutions to the non and underperforming and return capital.

We will provide information via a new website that will be published in March – [www.compassloans.net](http://www.compassloans.net) – and regular mail to enable investors to remain apprised as substantive information becomes available.

Mark Olson will continue with Compass after the Effective Date as the primary contact person for investors to get information about their loans and the company. He will be building a customer service department to handle these inquiries.

Please note that as of April 1, 2007, Compass Financial Partners' new office in Las Vegas will be located at:

Compass Financial Partners, LLC  
4730 S. Fort Apache Road, Suite 140  
Las Vegas, NV 89147  
Telephone: (702) 734-2400  
Fax: (702) 734-0163

We look forward to a productive relationship with you and achieving successful results for everyone's benefit.

Sincerely,

Compass Financial Partners, LLC

4730 SOUTH APACHE ROAD  
SUITE 140  
LAS VEGAS, NV 89147

MAIN: 702.734.2400  
FAX: 702.734.0163  
[WWW.COMPASSLOANS.NET](http://WWW.COMPASSLOANS.NET)



March 23, 2007

Robert S. Speckert Trustee of the Robert S. Speckert Rev. Living Trust dated 6/11/92  
 Robert Speckert  
 2128 RED DAWN SKY ST  
 LAS VEGAS, NV 89134-5538

Dear Robert:

Compass Financial Partners, LLC ("CFP") has officially taken over as the servicer of the USA Commercial Mortgage portfolio and has been working diligently to resolve all the loans in this distressed portfolio.

The majority of this portfolio has been delinquent for quite some time. Many of the projects have become non-performing and several are in need of additional capital in order to fully pay off. We also anticipate initiating foreclosure on several borrowers for non-performance of their obligations. We are currently looking at the costs associated with those actions because either scenario may require additional capital from direct lenders.

Concurrently with the above, CFP has commenced dialogue with potential buyers that have expressed interest in several of the assets within our portfolio. One such buyer has formally made an offer for **Fiesta Oak Valley ("Oak Mesa Investors, LLC")** participation interests which would pay investors a **net 91% of their Unpaid Principal Balance**, less any uncollected Prepaid Interest if applicable, and investors would waive their rights to any accrued unpaid interest.

The buyer is seeking to take a majority position in this asset and deal with the additional capital requirements of taking the necessary legal steps against the borrower.

This is not a settlement proposal. It is a competitive offer from a third party to buy out your interest in this loan only. If you decline this offer, your investment in this loan does not change. If you accept this offer, you are exchanging your position in this loan for a cash payment.

If you want to consider or **ACCEPT** this offer, please contact me and request the Fiesta Oak Valley Buyout Package be sent to you. It is our understanding that funding will take place shortly after the title company listed in the package has received the executed documentation.

Contact me via telephone (702) 734-2400; fax (702) 734-0163; or, email at [olson@compassloans.net](mailto:olson@compassloans.net) if you have any questions regarding this matter or want to request the buyout package.

Sincerely,

Mark L. Olson  
 Director of Investor Relations  
 Compass Financial Partners, LLC.



April 4, 2007

Dear Fiesta Oak Valley Investor:

Compass Financial Partners, LLC ("CFP") sent you a letter on March 23, 2007 about an offer from a third party unrelated to CFP or USA Commercial Mortgage Company for **Fiesta Oak Valley ("Oak Mesa Investors, LLC")** participation interests which would pay investors a **net 91% of their Unpaid Principal Balance**, less any uncollected Prepaid Interest if applicable, and investors would waive their rights to any accrued unpaid interest. Because of considerable interest we are receiving for this offer, we are sending the Buyout Package for this offer to all investors in the loan.

We also are enclosing the first Loan Status Report published by CFP about the current state of the Borrower and the loan and next steps for both parties. In our Report, we explain that Fiesta Development seeks to buy USA Investment Partners, LLC out of the Borrower entity in order to clear the way to financing that would repay the loan. If Fiesta fails to reach a buyout agreement, CFP anticipates it will escalate its collection efforts which could be time-consuming and expensive. The third party buyer is seeking to take a majority position in this asset to assist with or assume the additional capital requirements necessary to pursue legal action against the Borrower.

**DEADLINE:** The deadline for returning any completed package to CFP in the self-addressed envelope provided is **Friday, April 13, 2007**. The deadline is NOT April 7, 2007 as described in the documents because CFP has secured an extension of the offer for an additional week.

This is not a settlement proposal. It is a competitive offer from a third party to buy out your interest in this loan only. Your options are:

- **ACCEPT.** If you accept this offer, you are exchanging your position in this loan for a cash payment. It is our understanding that funding will take place shortly after the title company listed in the package has received the executed documentation, or approximately three weeks.
- **DECLINE.** If you choose to decline this offer, you do not need to do anything. Your investment in this loan does not change if you decline the offer.

Contact me via telephone (702) 734-2400; fax (702) 734-0163; or, email at [olson@compassloans.net](mailto:olson@compassloans.net) if you have any questions regarding this buyout package.

Sincerely,

Mark L. Olson  
Director of Investor Relations  
Compass Financial Partners, LLC.



Compass Financial Partners, LLC ("CFP") has been working hard to collect the maximum value possible from each loan it now services from the USA Capital portfolio. CFP will provide information to the Direct Lenders about the status of their loans and the actions being taken by the Borrowers and CFP to get the loans repaid. The following is the most recent report issued by CFP on this loan.

### LOAN STATUS REPORT

**Loan Name:** Oak Mesa Investors, LLC ("Fiesta Oak Valley")

**Unpaid Principal Balance (UPB):** \$20,500,000

**Accrued Interest Outstanding:** \$6,651,503 (as of February 28, 2007)

**Report Date:** April 4, 2007

**Loan Status:** Interest Default – the Borrower has been served with a Notice of Default for failure to pay the interest required by the Loan Agreement.

**Borrower:** The Borrower is a joint venture between Fiesta Development, and USA Investment Partners, LLC ("USAIP"). The operating partners of the joint venture are Richard Ashby and Larry Redman

**Guarantees:** Joe Milanowski, and Tom Hantges, principals of USAIP.

**Current Situation:** The Borrower is continuing to move toward entitlement of the project, although there has been little change in the status since the loan was originated. David Blatt, Compass Partners Managing Partner, has conducted an onsite visit recently with a representative of Fiesta Development, and CFP and the Borrower discuss the progress of the project and efforts to repay the loan in weekly/biweekly conference calls. The Borrower has received positive feedback from the city due to the inclusion of a school and several parks.

The Borrower has spoken with several sources of financing willing to provide financing sufficient to repay the CFP loan in full, but the existence of USAIP in the loan is preventing the banks from moving forward. USAIP must be removed from the Borrower entity before the banks will execute the financing. Fiesta Development has been in negotiations to buy out USAIP, however, so far the negotiations have not been successful.

On March 28, 2007, the United States District Court in California appointed a federal receiver for the assets of USAIP and ordered a stay related to entities in which USAIP has significant interests. At the time this report was written, CFP did not have information that would indicate what impact, if any, the receivership and/or stay might have on the Borrower and/or CFP related to this loan.

**Borrower Next Steps:** The Borrower needs to complete the buyout of USAIP, then complete the new financing in order to repay the CFP loan in full. The Borrower has not disclosed a timetable for either, but CFP believes the Borrower intends to expedite this as much as possible.

**CFP Next Steps:** CFP will continue to hold its weekly/biweekly conference calls with the Borrower to remain current on the status of the Borrower's efforts to buyout USAIP and on the impact of the receivership. CFP is concerned about collection efforts on this loan because of considerable uncertainty and risk due to the relationship with USAIP. If the Borrower is unable to reach a buyout agreement with USAIP managers or whoever the Court appoints as managers, CFP anticipates it will escalate its collection efforts including a restructuring of the loan in favor of CFP and the Direct Lenders up through initiation of foreclosure proceedings. Collection escalation efforts beyond negotiation would be very time-consuming and expensive because of the parties involved.

**Confidentiality:** CFP provides information about discussions and negotiations with a Borrower about a particular loan only to verified investors in that loan in an effort to protect the privacy of the Borrower, CFP and the investors in the loan. CFP requests that investors receiving this report maintain the confidentiality of the report.

Direct Lenders who have information to contribute or questions not addressed in this report may contact Mark Olson, Director of Investor Relations, for CFP at (702) 734-2400 or via email at [olson@compassloans.net](mailto:olson@compassloans.net).